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SUBJECT: ANKARA MEDIA REACTION REPORT

TUESDAY, JULY 24, 2007

In Today's Papers

All Eyes on Opposition CHP
Hurriyet, Milliyet, Cumhuriyet, Radikal, Bugun, Vatan, Yeni Safak:
Papers report that all eyes turned to CHP leader Deniz Baykal for
his response to the results of the election. Mainstream Hurriyet
reports that Baykal, in his initial assessment of elections to his
close friends said that the party organization did its best in the
election campaign. Baykal said "the popularity of CHP and
nationalist MHP increased but the center right collapsed" and those
votes went to AKP. Discussing the election results with his
advisors, Baykal indicated that he would not resign. Hurriyet adds
that the biggest support to Baykal came from former President
Demirel. Reportedly, Demirel called Baykal and advised him not to
resign. Speaking to Hurriyet, Demirel said that Baykal is a
well-educated politician and he fulfilled his duties completely.
Meanwhile, opposing groups in CHP are urging Baykal to resign,
papers report.

In the early afternoon, on live TV, Baykal said he would not step down from his party's leadership, saying "things will be different in the next election."

The New Cabinet

Hurriyet, Milliyet, Sabah, Vatan and others: Papers report that PM Erdogan plans an extensive cabinet re-shuffle. Milliyet reports that there is a belief that new names Ertugrul Gunay (possible Deputy PM), Zafer Caglayan (possible Industry Minister), Mehmet Simsek (possible Economy Minister) and Mehmet Saglam (possible Education Minister) will have ministerial positions. Deputy PM Mehmet Ali Sahin, Agriculture Minister Mehdi Eker, Public Works Minister Faruk Ozak and Forestry Minister Osman Pepe are expected to lose their posts. According to AKP circles, before the cabinet, the first important hurdle in front of PM Erdogan will be the election of the Parliament Speaker. It is not clear whether or not the current speaker Bulent Arinc would run for the position of Speaker

Commentators began urging the AKP to think of foreign policy matters. Sami Kohen writes in the mainstream daily Milliyet: "The power of the AKP to form a solo government paves the way for the continuation of policy and ensures stability. As some EU officials have already pointed out, the EU should be facilitative and helpful toward the AKP government in the integration process. Another issue the new government will have to deal with is Northern Iraq. The possibility of a cross-border operation has been a hot topic but the discussion was interrupted by election campaigning. This issue will certainly be on the parliament and government's agenda. The necessary diplomatic and political contacts on this issue, interrupted by the elections, are expected to speed up. For instance, the Iraqi Prime Minister is going to visit Ankara soon. On the other hand, Turkey strongly hopes to see some concrete steps taken in Northern Iraq against the PKK. That said, Ankara should be able to see some signs of these steps both from the US and Iraq."

Kubilay Celik writes in the nationalist daily Tercuman: "The AKP should immediately take up the following urgent pending foreign policy issues: the terrorist organization PKK in the north of Iraq, the EU process, Cyprus, gas deal with Iran and both the US and Russian efforts to prevent it. The EU and the US feel relieved with the solo AKP government, as both worked with them closely during the last five years. Yet the AKP government will also put pressure on the EU because of the steps that they will have to take to continue the negotiation process. As for the US, the PKK issue is the most urgent one to resolve. The US knows Turkey's sensitivity on this and must take action regarding the PKK as soon as possible."

Presidential Election Process
All papers report that the critical process of the Presidential

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election has started again. Since the AKP does not have enough seats in Parliament to elect the President, signals of compromise started coming from AKP. Milliyet says, despite the messages from Erdogan of compromise, opposition parties display a cautious attitude and they want to see the candidates considered by AKP for the Presidency. Leftist-nationalist Cumhuriyet and mainstream Milliyet say that Erdogan will bring out a candidate who would be accepted by both CHP and MHP. However, Foreign Minister Abdullah Gul's stance will play a determining role in Erdogan's approach. If Gul insists on running, Erdogan may not seek compromise with the opposition.

PKK Leader Expects Cross-border Operation, US General Says "No Need for Alarm" $\,$

Hurriyet, Zaman: Islamist-oriented Zaman reports that PKK leader in Northern Iraq Murat Karayilan said in an interview with AP that the PKK is expecting a Turkish cross-border operation just after the election and that the organization is prepared for it. Hurriyet reports that US General Benjamin Mixon in Northern Iraq, at an interview with the AP, said that "the US is planning to withdraw its troops from Iraq soon and starting from August the control will be fully transferred to Iraqi authorities." When General Mixon was asked about a possible Turkish cross-border operation, he said "I am not alarmed on that issue. I believe that the issue will be resolved in the long run."

TV Highlights NTV, 7.00 A.M.

Domestic News

As a formality following the election, PM Erdogan submitted his resignation to President Sezer, who asked Erdogan to stay on in an interim capacity until the new government is formed

MHP Leader Bahceli promised to boost compromise and dialogue in the new era

The Istanbul Stock Market's IMKB-100 indicator of 100 top shares hit a record high of 55,058.80 points yesterday following the AKP

election victory

Turkish Industrialists and Businessmen's Association (TUSIAD) has called on the Parliament to work in spirit of compromise in the presidential elections

International News

In a message sent to PM Erdogan, Iraqi President Jalal Talabani called for the improvement of bilateral relations

 ${\tt EU}$ Enlargement Commissioner Olli Rehn said "it is essential that the new government re-launch the legal and economic reforms with full determination and concrete results"

Former Afghan King Mohammed Zahir Shah died on Monday aged 92

WILSON